



# NEWS RELEASE

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### **SBA FY 2005 Budget Request Reflects Commitment To Provide Capital for Small Businesses**

**WASHINGTON** – The U.S. Small Business Administration today announced a fiscal year 2005 budget request of \$678.4 million that increases loan authority for the agency's flagship lending program and strengthens the agency's most successful programs.

The budget requests \$12.5 billion in loan guarantee authority for the 7(a) program, a 30 percent increase over the FY 2004 requested level, building on the SBA's record-breaking 2003, which saw an historic number of loans granted under the 7(a) program.

"The SBA guaranteed a record number of loans last year, with double digit increases in the percentage of loans to women, Hispanics, African Americans and Asian Americans," said SBA Administrator Hector V. Barreto. "The budget request of \$12.5 billion will allow the SBA to build on the success we've had in this important loan program, and will provide more businesses with the capital needed to start up and expand."

The budget proposal also includes a zero subsidy rate for the 7(a) program, due in part to the expiration of a temporary fee reduction passed by Congress. The result is a funding structure that will add stability and independence to the program, which would no longer rely on an annual appropriation.

In an effort to provide more effective service to small businesses, the budget also includes funding for its core programs with an emphasis on making better use of these programs' extensive resources and well-developed infrastructures. Those program levels include:

- \$12 million for Women's Business Centers
- \$88 million for Small Business Development Centers
- \$5 million for the SCORE program
- \$750,000 for National Women's Business Council
- \$750,000 for Veterans Outreach
- \$1.5 million for 7(j) technical assistance
- \$1 million for the Drug Free Workplace program

By relying on these core programs, the SBA can deliver a wider array of services to more small businesses with increased customer service and efficiency.

The budget also includes:

- \$4.5 billion program level for the 504 lending program with zero subsidy rate
- \$4 billion program level for the SBIC Participating Securities program with zero subsidy rate
- \$3 billion program level for the SBIC Debentures program with zero subsidy rate
- \$792 million program level for disaster loans

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